

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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August 24, 2022

The Honorable Joseph R. Biden  
President of the United States  
The White House  
1600 Pennsylvania Ave., N.W.  
Washington, D.C. 20500

Dear President Biden:

We are writing to you to highlight that your reckless spending policies have led to what has historically been accepted as a recession—until you unilaterally determined otherwise to score political points.<sup>1</sup> On July 28, 2022, the U.S. Gross Domestic Product (GDP) dropped 0.9 percent in the second quarter.<sup>2</sup> This marks two straight quarters of GDP decline as the first quarter declined by 1.6 percent.<sup>3</sup> Every time since 1948 that GDP has fallen for at least two straight quarters, the National Bureau of Economic Research has declared a recession.<sup>4</sup> Yet you and your Administration maintain we are not in a recession and in fact just passed an additional nearly trillion-dollar inflationary spending bill into law.<sup>5</sup>

Since you took office, the inflation rate has skyrocketed. When you took office in January 2021, inflation was at 1.4 percent.<sup>6</sup> Inflation remained at a high at 8.5 percent in July 2022—food prices rose 10.9 percent in July compared to July 2021 and 1.1 percent higher than June 2022.<sup>7</sup> The cost of gasoline remained up nearly 44 percent from the prior year, which was 11.2 percent higher than month before.<sup>8</sup> Home gas bills were up 30.5 percent, home electricity bills were up 15.7 percent, eggs were up 38 percent, and milk was up 16.4 percent compared to July 2021.<sup>9</sup> Families continue to struggle to afford basic necessities.

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<sup>1</sup> Brooke Singman & Meagan Henney, *Biden Says US not in a recession despite two consecutive quarters of shrinking economy*, FOX BUSINESS (Jul. 28, 2022); Briefing, White House, Press Briefing by Press Secretary Karine Jean-Pierre and NSC Coordinator for Strategic Communications John Kirby (Jul. 27, 2022).

<sup>2</sup> Jeff Cox, *The economy may look like it's in recession but we still don't know for sure*, CNBC (Jul. 28, 2022).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> Hanna Panreck, *Karine Jean-Pierre says U.S. not in a recession on 'The View': 'A transition into stable and steady growth'*, FOX NEWS (Jul. 28, 2022); Brooke Singman & Meagan Henney, *Biden Says US not in a recession despite two consecutive quarters of shrinking economy*, FOX BUSINESS (Jul. 28, 2022).

<sup>6</sup> Statista Research Department, *United States – monthly inflation rate in June 2022*, STATISTA (last visited Aug. 13, 2022).

<sup>7</sup> Nathan Bormey, *Food prices continue soaring despite inflation falling*, AXIOS (Aug. 10, 2022).

<sup>8</sup> Gabriel T. Rubin, *U.S. Inflation Hits New Four-Decade High of 9.1%*, THE WALL S. J. (Jul. 13, 2022).

<sup>9</sup> *Inflation Tracker*, INDEP. WOMEN'S FORUM, CTR. FOR ECON. OPPORTUNITY (last visited Aug. 2, 2022).

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For months your Administration has ignored economists' warnings of growing inflation and the increased risk of recession caused by your reckless spending policies. On February 4, 2021, Harvard Professor Larry Summers, top economic advisor to both President Clinton and President Obama, warned that your stimulus plan was three times as large as the output shortfall, and that, "as a massive program moves toward enactment and implementation, policymakers need to ensure that they have plans in place to address [the] possible, and quite serious, problem" of inflation.<sup>10</sup> On May 18, he reiterated his concern that policy makers are, "taking very substantial risks on the inflation side."<sup>11</sup>

Economists tried to warn you, but you and your Administration ignored them. Now, as the American people are struggling to afford groceries, gas, and rent, you continue to gaslight them, denying there is a recession. When the July 2022 inflation numbers came out you claimed "our economy had zero percent inflation," even though it is clear that the cost of groceries and rent continue to rise.<sup>12</sup> The American people deserve better. We urge you to reconsider your current inflationary spending proposals and focus on delivering actual relief to the American people. In order to better understand your Administration's characterization of the current economic status of the U.S., please provide a staff level briefing no later than August 31, 2022.


Sincerely,



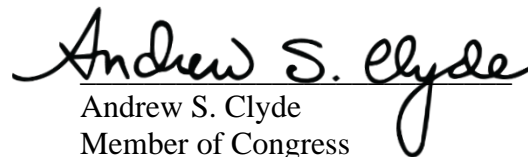
Michael Cloud  
Ranking Member  
Subcommittee on Economic and Consumer Policy



Fred Keller  
Member of Congress



C. Scott Franklin  
Member of Congress



Andrew S. Clyde  
Member of Congress



Byron Donalds  
Member of Congress

cc: The Honorable Raja Krishnamoorthi, Chairman  
Subcommittee on Economic and Consumer Policy

<sup>10</sup> Larry Summers, *The Biden stimulus is admirably ambitious. But it brings some big risks, too*, THE WASH. POST (Feb. 4, 2021).

<sup>11</sup> Matt Egan *Larry Summers sends stark inflation warning to Joe Biden*, CNN BUSINESS (May 27, 2021).

<sup>12</sup> Jordan Boyd, *Media Parrot Biden's Absurd Claim That July's 8.5 Percent Inflation Increase Is Actually 'Zero'*, THE FEDERALIST (Aug. 10, 2022).